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Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

25 November 1987

Iran: Waging the Diplomatic War [redacted]

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Summary

Iran is waging an intensive diplomatic campaign to counter the international pressures building against it to end the war with Iraq. Tehran has achieved some important successes, stalling movement toward imposition of UN sanctions by its adroit maneuvering. Beside displaying considerable diplomatic skills, Iran has avoided international isolation by playing on differences among its antagonists and by exploiting the desire of most major powers to stay on good terms with Iran. Despite the strong and unanimous Arab League condemnation of Iran, Tehran apparently believes it will be able to avoid serious international sanctions by using diplomacy as an adjunct to its belligerent policy in the Gulf. [redacted]

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Iran's ability to generate Soviet and European reluctance to seriously antagonize Tehran will bolster the Iranians' confidence that they will be able to outlast the United States in the Gulf. Iran probably doubts that the UN will impose sanctions or that an arms embargo would be enforceable if formally declared. Renewed doubts about Syrian support probably will cause Iran to put more emphasis on its contacts with the USSR, Western Europe, and the Third World, so long as

This memorandum was prepared by [redacted] the Iran-Iraq Branch, Persian Gulf Division, Office of Near Eastern and South Asian Analysis. Questions and queries are welcome and may be directed to the Chief, Persian Gulf Division [redacted]

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these ties do not detract Iran from pursuing the war against Iraq. [redacted]

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Tehran and Moscow

We believe that Tehran is pleased about improved relations with Moscow. Iran has courted Moscow by focusing its condemnation of superpower intervention in the Gulf on the United States, depicting Soviet activities as limited and even benign. Assembly Speaker Rafsanjani in September referred to the USSR as playing a "positive role" in the Gulf. Criticism of the Soviet Union in general has diminished in the media and among Friday prayer leaders. Tehran's depiction of Soviet intervention in Afghanistan has become less strident, and Iranian diplomats in November made a rare public appearance with Afghan Government leaders at ceremonies in Kabul. [redacted]

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We believe that Iran has been gratified by Moscow's response. Deputy Foreign Minister Vorontsov has visited Tehran--as well as Baghdad--three times this year. The two sides have exchanged several economic delegations, and the Soviets have invited Rafsanjani and Prime Minister Musavi to visit Moscow before the end of the year. We believe that these contacts have improved atmospherics but resulted in only limited progress on bilateral issues. The two countries have signed a new shipping agreement allowing Iran access to the Caspian Sea through Soviet inland waterways. Another agreement in principle provides for Iran to export crude oil to the USSR and to import some of the refined product. Aeroflot in October resumed regular flights to Tehran, after a hiatus of four years. [redacted]

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The payoff for Iran has come at the UN, where Moscow has helped delay progress toward a resolution imposing sanctions on Iran--most likely an arms embargo. Tehran apparently gauged correctly that Moscow would tout almost any appearance of Iranian flexibility as justifying delay on a sanctions resolution. Iran has pandered to the Soviets by refusing to reject explicitly Resolution 598 and by continuing to hold a dialogue with the Secretary General. Iranian leaders in their public statements continue to denigrate UN efforts to arrange a ceasefire. Iran is unlikely to accept a ceasefire except on its terms, including a demand that Iraq first be named as the aggressor in the war. [redacted]

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Tehran and Western Europe

All the West European states are concerned that serious strains with Iran over the war might deprive them of a lucrative market and threaten Western influence, probably to Moscow's advantage. Because of these concerns, the West Europeans have

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adopted a two-track approach for dealing with Iran: while increasing their naval presence in the region, the West Europeans continue to cultivate commercial and other bilateral--especially commercial--relations. The Dutch, for example, sought last month to hasten Iranian action to expand trade [redacted]

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[redacted] Prime Minister Lubbers told Ambassador Shad in early November that he was concerned that Western trade pressures on Iran could redound to Moscow's benefit, according to the US Embassy in The Hague. West Germany remains Iran's principal Western trading partner, and Bonn gives high priority to maintaining good relations with Iran. The reluctance of the West European countries and Japan to join a US trade embargo against Iran probably is encouraging the Iranians to doubt they will ever face concerted international pressure. [redacted]

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The West Europeans are divided on whether to support an arms embargo against Iran, according to Embassy reporting. France and the UK are willing, but Italy and West Germany are reluctant. Iran continues to acquire arms in Western Europe, and probably assumes that Western governments approve the transfers or have turned a blind eye to them. We believe that the holding of a West German hostage by the pro-Iranian Hizballah in Lebanon reinforces Bonn's incentive to remain on good terms with Tehran. [redacted]

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We believe that Iran has shown a sophisticated awareness of the complexities and contradictions in European attitudes toward it, and Tehran's diplomacy has focused on encouraging those aspects of European policies that work to Iran's advantage. Tehran has shown the importance it gives the diplomatic card by using Deputy Foreign Minister Larijani as its chief interlocutor with the West Europeans. Larijani is a Western-educated, intelligent Foreign Ministry official--not a cleric--who invariably makes a good impression on Western audiences, [redacted] During the past few months he has visited every major West European capital except London, with which Iran is having bilateral difficulties. [redacted]

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We believe that Iran has focused special attention on Italy in its efforts to cultivate West European opinion and to divide the Europeans over intervention in the Gulf.

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Iran is trying to persuade Italy to withdraw its naval ships from the Gulf in return for special arrangements to protect Italian shipping and opportunities for expanded economic ties.

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We believe that Tehran is focusing on Italy because it perceives that Rome's commitment to a naval presence in the Persian Gulf is the weakest of the allies. Italy has been more inclined than other EC governments to give Tehran the benefit of the doubt in hope of avoiding involvement in a US-Iranian military clash and promoting a negotiated settlement of the Iran-Iraq war. Although Iran appears to be succeeding in preserving Rome's softer orientation, Andreotti is unlikely to tarnish Italy's image by breaking ranks and making a special deal with Iran.

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Iran's cultivation of Italy and the other West European states has helped sustain Iran's bilateral ties with them and mitigated the strains created by the European naval presence in the Gulf. Larijani's efforts probably have contributed to European caution on the issue of UN sanctions. Tehran also is trying to maintain balance between East and West at a time when its relations with Moscow are improving. It hopes to build up political capital against the day that relations with Europe might deteriorate if UN sanctions are finally approved or if there is a military incident with one of the European forces in the Gulf.

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Tehran and the Gulf States

Diplomacy continues to play a key role in Iran's relations with the Gulf states. Despite support for the Western military presence in the region by the Gulf states, they continue to

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harbor doubts about US resolve, fear Iran's capacity for troublemaking, and realize Iran over the long term will be a key--if not the dominant--power in the region. Divisions in Gulf ranks give the Iranians a diplomatic opening to play neighbors off against each other. Saudi Arabia, Kuwait, and Bahrain are more supportive of US activities and more willing to antagonize Iran than Oman and the UAE. [REDACTED]

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Tehran attempts to exploit these vulnerabilities by approaching the Gulf states through its diplomats, special emissaries, and the Syrians with offers to improve relations, if the Arabs will only soften their opposition to Iran. Tehran also is responsive to overtures from the Gulf Cooperation Council.

[REDACTED]

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The Iranians probably believe that they will be able to continue dealing with the Gulf states through a mixture of diplomacy and intimidation. They probably judge that this strategy has helped to prevent the Gulf states from breaking relations with Iran and to convince them to limit their security cooperation with the United States, despite Iran's increased hostility toward them. [REDACTED]

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The strong anti-Iranian resolutions adopted by the Arab states at the recent Arab League summit, and Syria's approval of them have created new complications for Iranian diplomacy. Iran now has to give greater weight to the Arabs' increasing unity and resolve in opposing Iranian policy in the Gulf. Tehran is certain to be disturbed by Syria's acquiescence and more suspicious of Assad's long-term loyalty, no matter how Damascus reassures Tehran that it continues to desire strong bilateral ties. The Iranians probably will react cautiously until they have a direct report from senior Syrian officials. They will almost certainly bargain in an attempt to limit any Syrian rapprochement with Iraq, using as leverage Iranian oil supplies to Syria, Assad's perceived need to keep on good terms with Tehran in order to play Iran against the Gulf states, and Iran's ability to heat up anti-Syrian activity by the Hizballah in Lebanon. [REDACTED]

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If the Gulf states become bolder in standing up to Iran, Tehran eventually is likely to increase its efforts to intimidate Kuwait, Saudi Arabia, and perhaps Bahrain. Iran retains the option to increase attacks on Gulf shipping and economic targets and to sponsor more terrorism and sabotage against targets inside and outside the Gulf region. [REDACTED]

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Other Diplomatic Initiatives

Senior Iranian foreign affairs officials travel frequently to countries throughout the world to push their cause; scarcely a week passes without at least one on the road. Economic delegations also are active. Although major new economic agreements are rare, these activities help prevent Iran from being viewed as an international pariah and remind other foreign countries that Iran will be a potential economic and trade bonanza when the war ends. [REDACTED]

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Tehran is attempting to enlist Third World support for its Gulf policy through the auspices of the Nonaligned Movement because it is more likely to condemn the US presence in the Gulf than the Arab League or the UN. Foreign Minister Velayati began this initiative last month with a meeting in Zimbabwe with Prime Minister Mugabe, the current NAM Chairman. Velayati in recent weeks also visited Cuba, Nicaragua, Ethiopia, and South Yemen. Besides strengthening bilateral ties with each, he sought a meeting of the NAM Bureau to discuss the US presence in the Gulf. Larijani pressed the issue during a recent visit to Yugoslavia. [REDACTED]

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Outlook

Iran almost certainly will continue to use diplomacy as a key instrument for defending its interests as it continues the war against Iraq and confronts the United States in the Gulf. Tehran apparently has been sobered by growing Arab resolve and by the formidable Western military force in the Gulf. The Iranians probably are more impressed, however, with the absence of any specific measure to pressure them to end the war, the lack of unity among their critics, and the eagerness of most major powers to continue to cultivate Tehran's good will than they are with UN and Arab League resolutions calling on Iran to end the war. From Iran's perspective, these positive factors at least counterbalance the setbacks it has received because of the Western military buildup in the Gulf and the increased willingness of the Gulf states to stand up to its bullying and to cooperate militarily with the United States. [REDACTED]

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Because of the divisions between the West and the USSR and within Western ranks, Iran probably doubts that the UN will impose sanctions or that an arms embargo would be enforceable even if formally adopted. Tehran also almost certainly perceives an opportunity to continue to play East against West and to take advantage of the West Europeans' obvious reluctance to jeopardize relations. The Iranians apparently feel confident that they will continue to keep their opponents off guard by manipulating events with such tactics as their ambiguous reply to Resolution 598 and their periodic bilateral "peace" negotiations with the Gulf states. This ability to seize the political initiative together

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with the military and terrorist resources at Iran's disposal will encourage Tehran to believe its chances are good for outlasting the United States in the Gulf. [REDACTED]

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Renewed doubts about Syrian support probably will cause Iran to put even more emphasis on its contacts with other countries, without lessening its willingness to use military force to achieve its regional objectives. Even if Syria's commitment to the summit resolutions fades, Tehran will be more concerned than previously about a rupture with Damascus and political isolation from the Arab world. Tehran now has even stronger incentive to cultivate ties with the USSR, Western Europe, and the Third World--so long as these ties do not detract Iran from its goal of defeating the regime in Baghdad. [REDACTED]

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